

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE ENVIRONMENTAL)	
SURCHARGE PASSTHROUGH MECHANISM)	CASE NO. 96-330
OF HENDERSON UNION ELECTRIC CORPORATION)	
AS BILLED FROM NOVEMBER 10, 1995)	
TO MAY 9, 1996)	

O R D E R

On October 4, 1995, the Commission approved an environmental surcharge passthrough mechanism for Henderson Union Electric Corporation ("Henderson Union").¹ It ordered that formal reviews of the operation of Henderson Union's surcharge would be conducted at six-month intervals in conjunction with the Commission's review of the operation of Big Rivers Electric Corporation's ("Big Rivers") environmental surcharge. The purpose of these reviews is to: (1) disallow any surcharge amounts found to be unjust or unreasonable; (2) reconcile past surcharges with actual surcharge amounts charged by Big Rivers; and (3) reconcile any over- or under-recoveries which Henderson Union experiences. The Commission further ordered Henderson Union to maintain a record of its over- and under-recoveries for examination during these periodic surcharge review

¹ Case No. 95-208, The Applications of Green River Electric Corporation, Henderson Union Electric Cooperative Corporation, Jackson Purchase Electric Cooperative Corporation, and Meade County Rural Electric Cooperative Corporation for Approval of Mechanisms to Flow Through Environmental Surcharges to be Charged by Their Wholesale Power Supplier, Big Rivers Electric Corporation, final Order dated October 4, 1995.

proceedings.² The Commission hereby initiates its first six-month review of Henderson Union's surcharge passthrough mechanism as billed from November 10, 1995 to May 9, 1996.

IT IS THEREFORE ORDERED that:

1. Henderson Union shall appear at the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky on October 31, 1996 at 9:00 a.m., Eastern Standard Time, to submit itself to examination of its environmental surcharge passthrough mechanism as billed to consumers from November 10, 1995 to May 9, 1996. If no interested party files written notice of its intent to attend the hearing with the Commission by October 28, 1996, this hearing shall be canceled.

2. The procedural schedule set forth in Appendix A, attached hereto and incorporated herein, shall be followed in this proceeding.

3. Henderson Union shall publish the following notice not less than 7 days nor more than 21 days prior to the public hearing in a newspaper of general circulation in its service areas or in a trade publication or newsletter going to all customers:

A public hearing will be held on Thursday, October 31, 1996, at 9:00 a.m., Eastern Standard Time, at the offices of the Kentucky Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky, to examine Henderson Union's environmental surcharge passthrough mechanism for the period November 10, 1995 to May 9, 1996. Individuals interested in attending this hearing shall notify the Public Service Commission in writing of their intent to attend no later than October 28, 1996. If no notices of intent to attend are received by that date, this hearing will be canceled. Written notice of intent to attend this hearing should be sent to: Don Mills, Executive Director, Kentucky Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

² Id. at 4 and 5; October 26, 1995 Order at 3.

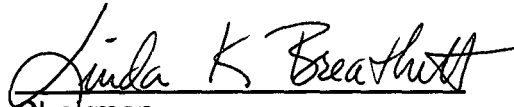
4. Henderson Union shall, by the date set forth in Appendix A, file written testimony on the reasonableness of the operation of its environmental surcharge passthrough mechanism during the review period. It shall also file a written report, with supporting documentation, on all over- or under-recoveries experienced during the review period.

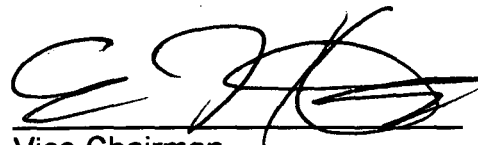
5. All requests for information and responses thereto shall be appropriately indexed. All responses shall include the name of witness who will be responsible for responding to questions related to the information, with copies to all parties of record and an original and 10 copies to the Commission.


6. Henderson Union's monthly surcharge reports and supporting data for the review period are hereby incorporated by reference into the record of this case.

Done at Frankfort, Kentucky, this 12th day of July, 1996.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 96-330 DATED JULY 12, 1996

Henderson Union shall file its determination of any surcharge
over- or under-recovery, along with its prepared
testimony, no later than 07/26/96

All additional requests for information to Henderson Union
shall be served no later than 08/15/96

Henderson Union shall serve responses to additional
requests for information no later than 08/29/96

Intervenor testimony, if any, in verified prepared form
shall be served no later than 09/12/96

All requests for information to Intervenors shall be
served no later than 09/26/96

Intervenors shall serve responses to requests for
information no later than 10/10/96

Last day for Henderson Union to publish notice of hearing
date 10/24/96

Last day for interested individuals to notify the
Commission in writing of their intent to attend
the Public Hearing 10/28/96

Public Hearing is to begin at 9:00 a.m., Eastern Standard
Time, in Hearing Room 1 of the Commission's offices at
730 Schenkel Lane, Frankfort, Kentucky, for the purpose
of cross-examination of witnesses of Henderson Union
and Intervenors 10/31/96